

NEW PRODUCT ADVISORY No. 03-014

A FULL SERVICE PLAN'S SELECT HMO NETWORK

ACTION: Order of Approval Issued September 17, 2003

Material modification a new commercial HMO medical delivery system, the "Particular Plan's Select HMO Network," featuring lower premiums.

Filing No. 20035698

Filed May 23, 2003

SUMMARY

A particular Plan proposed a wide-ranging select HMO network encompassing all or portions of twenty-two counties in California. The network includes urban, suburban, and rural areas. Accessibility in certain rural areas would be satisfied through reliance on alternative standards affording flexibility in rural areas pursuant to Rule 1300.67.2.1. The particular Plan deleted from its proposal several rural areas where prospective enrollees would not have adequate accessibility under the Knox-Keene Act.

The professional services in the network consist of the following: (a) a subset of the particular Plan's currently contracted CaliforniaCare physicians, (b) a subset of the particular Plan's currently contracted Medi-Cal managed care physicians, and (c) various physicians under direct contract with the particular Plan. All of the particular Plan's current CaliforniaCare hospitals in the service area, as well as the current CaliforniaCare ancillary and pharmacy service providers, participate in the new network.

Enrollees obtain services through the particular Plan Select HMO network by requesting assignment to a Primary Care Physician from the Plan Select HMO medical group or physician contracting directly with the Plan. Members will have access to specialty care in the same manner as enrollees in other Plan commercial HMO products. Choice of a medical group may limit access to certain hospitals because the physician in that medical group may not admit to all of the particular Plan participating hospitals. However, if the enrollee needs services which cannot be appropriately provided at the hospital to which the enrollee's particular Plan Select HMO provider admits, the enrollee will be referred to the most appropriate hospital, including a non-participating hospital as necessary.

Based upon the information filed, primary and specialty care services are accessible within the network. In order to assure access in some counties the particular Plan omitted certain zip codes from the service area. In San Diego County, the most remote, rural enrollees would travel no more than 20 miles or 30 minutes for primary care physician services. In the remaining rural areas of two counties (Imperial and Placer), enrollees travel 30 minutes. In the remaining rural areas of Nevada County, enrollees travel at the most 35 minutes. In the remaining rural areas of Tulare County, enrollees living on the outskirts of national forests would travel at the most 40

miles or 45 minutes to access care. In Yolo County, 97.8% of the enrollees will travel 15 miles for care; 2.2% of the enrollees who live in remote, rural areas will travel no more than 33 miles or 45 minutes to access care.

BASIS OF ACTION

The Department required the particular Plan to address a variety of issues, including, but not limited to, access and availability of professional providers, reasons justifying alternative standards of accessibility in certain rural areas, continuity of care, second opinions, restrictions related to the network, disclosure in subscriber documents regarding accessing services in the network, monitoring of issues, and assumptions underlying the premiums associated with the new network. The particular Plan also resolved pharmacy issues arising under Senate Bill 842. The particular Plan revised its service area to exclude portions of counties where it lacked contracting providers to provide accessible care, as required by Sections 1367(d) and (e) and Rules 1300.67.1, 1300.67.2, and 1300.67.2.1. The Department determined that the particular Plan's proposed network, as revised, complies with the Knox-Keene Health Care Service Plan Act of 1975, as amended (Health & Saf. Code § 1340 *et seq.* and the regulations adopted thereunder (Cal. Code Regs., title 28, §1300.43 *et seq.*).